



BACM's Consolidated Concrete Division is supplying ready-mix concrete for the poured in place concrete portion of the addition to the Foothills Hospital in Calgary, Alberta.

AR47

2/70

14

BACM INDUSTRIES LIMITED

SEMI-ANNUAL REPORT TO SHAREHOLDERS

for the 6 month period ended June 30, 1970



TO OUR SHAREHOLDERS

As the table below will show, profits of BACM Industries Limited have been severely affected by the current economic slowdown in North America. Although sales appear to be down only marginally when compared with those for the first six months of 1969, the comparison is not an accurate indication of the situation because over the past twelve months the Company has substantially increased its capacity through plant expansions and corporate acquisitions.

While the decline in business is general throughout the Company's marketing area, the provinces of Manitoba and Saskatchewan show the greatest percentage decrease.

Heavy construction activities, which are substantially dependent upon government contracts, are lagging as a result of anti-inflationary policies and the shifting of priorities, while increasing competition from competitors has had an adverse affect on heavy construction profits.

Canadian sales of single family homes have dropped markedly in 1970, reflecting public concern over the continuing economic uncertainties and high interest rates, as people postpone purchases. As a consequence, the Company's inventory of unsold houses is at a high level for this season. We believe, however, that the potential demand continues to be great and will be realized once current uncertainties pass.

Shipments of concrete and concrete products show a considerable decline as compared with those of the first six months of the previous year, reflecting the decline in housing starts and in commercial, institutional and governmental construction projects in the cities of Western Canada.

Demand for the products of the Company's gypsum wallboard plant in Saskatoon remained relatively strong through the period, but is not expected to continue as the wallboard industry begins to reflect the downturn in construction activities. The Company's second wallboard plant in Edmonton, Alberta, is now coming into production, and although the timing is not auspicious it will serve the expanding market area of Northern Alberta as the only plant in that region, and future prospects for the plant appear promising.

Although seasonal factors should cause the second half of 1970 to show better results for your Company than the first half, as is traditionally the case, there are no indications in our market area that the unfavourable economic conditions which we are experiencing, will cease in the near future.

Respectfully submitted

PRESIDENT
WINNIPEG, CANADA

BACM INDUSTRIES LIMITED & SUBSIDIARIES UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS

	6 MONTHS ENDED JUNE 30, 1970	6 MONTHS ENDED JUNE 30, 1969
Total Operating Revenue	\$42,408,400	\$43,509,736
Costs and Expenses	38,944,600	38,815,096
Depreciation and Depletion	3,463,800	4,694,640
Income before Taxes	2,451,600	1,777,148
Provision for Income Taxes	1,012,200	2,917,492
Net Income	552,600	1,520,000
Earnings per Share24	.85
Average Number of Shares Outstanding	1,883,727	1,641,010

The above figures are subject to year end adjustments



BACM IN ALBERTA

The Company's integrated operations in Alberta are diversified throughout the land development-building supply-construction-housing industries, as they are geographically across the breadth of the province. Currently, more than 1,800 Albertans with aggregate June earnings of over one million dollars are employed in these operations. The four million dollar gypsum wallboard plant is the latest manifestation of BACM's investment in the growth of Alberta.



"helping shape a better world around you"

BACM INDUSTRIES LIMITED

ALBERTA CORPORATE OFFICES:
CALGARY—208 CHINOOK CENTRE
EDMONTON—1422 OXFORD PLACE

CONSOLIDATED CONCRETE LIMITED

EDMONTON • CALGARY
GRANDE PRAIRIE •
LETHBRIDGE

CON-FORCE LIMITED

EDMONTON • CALGARY
LETHBRIDGE

ENGINEERED BUILDINGS LIMITED (ENGINEERED HOMES)

EDMONTON NORTH •
EDMONTON SOUTH
CALGARY NORTH
CALGARY SOUTH
RED DEER
LETHBRIDGE
REALTY DEVELOPMENT
MONOGRAM
MOBILE HOMES

LAND & PROPERTY DEVELOPMENT

EDMONTON—Maple Woods
Lacombe Park
Edmonton North
CALGARY—Marlborough—
Oak Ridge

NORTHERN GRAVEL PRODUCTS LTD.

EDMONTON

REX UNDERWOOD LTD.

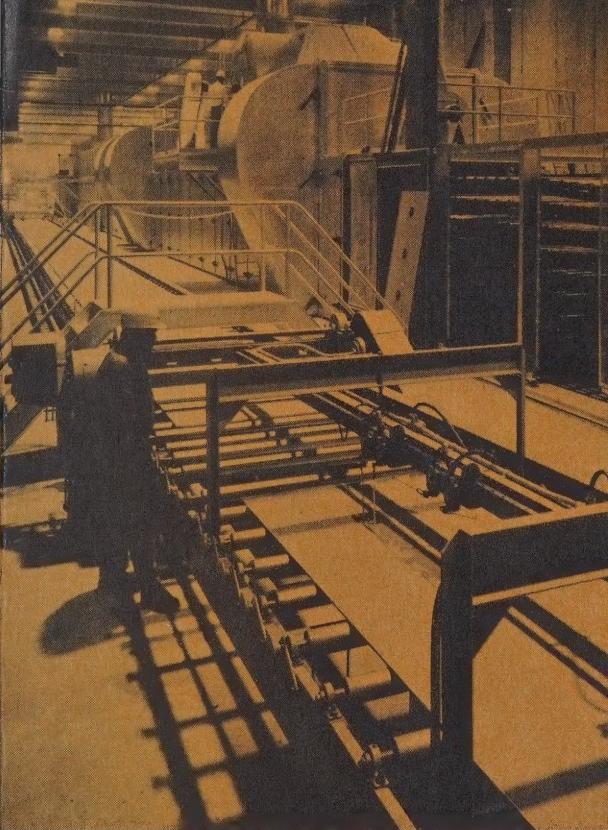
EDMONTON

STANDARD-GENERAL CONSTRUCTION (INTERNATIONAL) LIMITED

EDMONTON • CALGARY

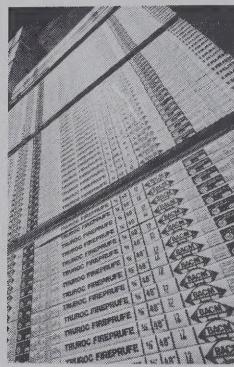
TRUROC GYPSUM PRODUCTS

EDMONTON



**OFFICIAL OPENING
TRUROC GYPSUM PRODUCTS
EDMONTON PLANT, 9/18/70**

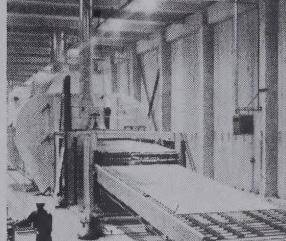




25. Control Console For Wallboard Take-Off Equipment



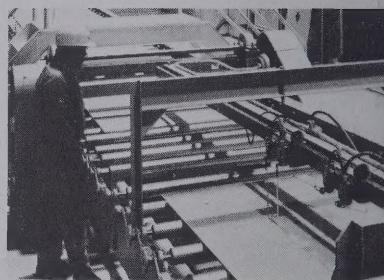
25. Control Console For Wallboard Take-Off Equipment



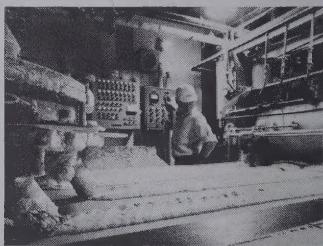
18. 2 Zone, 8 Level Gypsum Board Dryer
(Total Capacity — 35 million BTU's per Hour)

19. Dryer Control Station
20. Board Recutter & Slitter
21. Dryer Unloading Section
22. Dry Board Transfer & Booking Section
23. Board Bundler with End Saws & Taping Equipment
24. Automatic Board Stacker

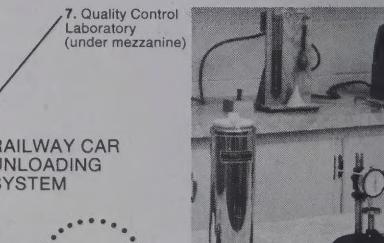
17. Dryer Feed Tipple
16. Cull Board Reject Conveyor
15. Wet Board Transfer Inverter



14. Rotary Cut-Off Machine & Measuring Equipment
13. D.C. Synchronized Variable Speed Drive Control
12. 375' Forming & Setting Line



10. Pin Mixer 11. Master Roll
9. Paper Feeding Equipment & Storage Area
8. Mezzanine Floor Additive Control Area

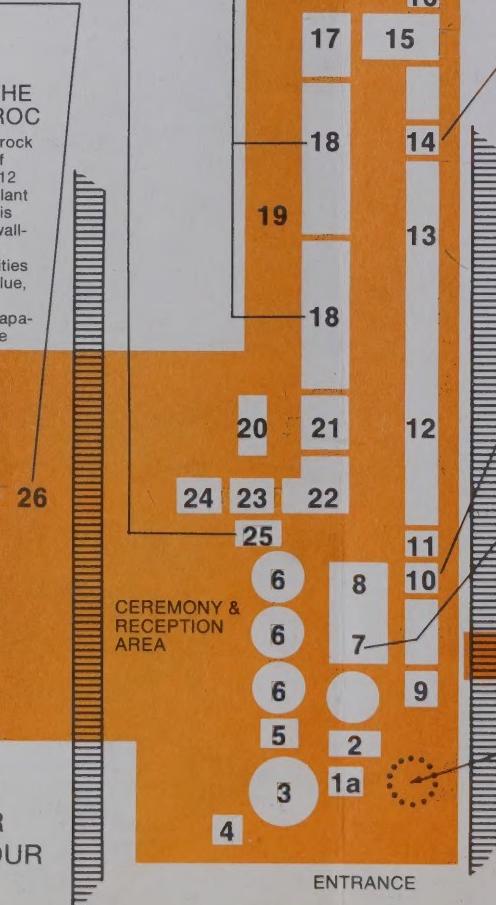


7. Quality Control Laboratory (under mezzanine)
RAILWAY CAR UNLOADING SYSTEM
GYPSUM ROCK RECLAIM SYSTEM

6. Stucco Storage Bins
5. Gypsum Block Storage
4. Main Electrical Control Centre
3. Calcining Kettle
2. Raymond Mill Drying & Pulverizing System
- 1a. Registration & Calcine Room

SOME FACTS ABOUT THE PRODUCTION OF TRUROC

Approximately one ton of gypsum rock is required for each 1,000 sq. ft. of $\frac{1}{2}$ " thick TRUROC wallboard • 10-12 tons of gypsum rock is used per plant operating hour • 150 lbs. of paper is required for each 1,000 sq. ft. of wallboard • Paper is supplied from an Edmonton supplier • Lesser quantities of pulp, starch, soap, fibreglass, glue, talc, etc. is required for wallboard production • TRUROC production capacity is in excess of 250,000 square feet per 24 hour working day • produced in 4' widths, up to 16' long, from $\frac{3}{8}$ " to $\frac{1}{2}$ " thick • TRUROC products manufactured include: wallboard, backing board, Fireprufe board and Pyrosonic sound deadening board • 50 hourly rated workers and a small supervisory staff will be employed when plant is on three shifts • TRUROC products will be distributed through Alberta, N.W.T., British Columbia and the Yukon.



HERE'S WHAT YOU WILL SEE ON YOUR TRUROC PLANT TOUR